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SECOND ANNUAL REPORT

of the

Maryland Racing Commission

to

The Governor of Maryland

1921

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THE
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BALTIMORE, MD.

MARYLAND RACING COMMISSION

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SECOND ANNUAL REPORT OF MARYLAND RACING COMMISSION.

To His Excellency, Albert C. Ritchie,

Governor of Maryland.

The Maryland Racing Commission respectfully submits herewith its Annual Report for the year 1921, including a statement of Receipts and Disbursements by the Commission.

POLICY.

Racing of thoroughbreds has been the sport and diversion of the people of the State for generations, and the Commission's policy has been adopted with a view to maintaining the sport as an institution for the healthy amusement and diversion of the people of the State and for the development of the breed of horses, rather than as a means of large profit to the owners of the tracks. The Commission has likewise considered that the best results will be gained by a policy of regulation, rather than of operation, the licensees of the Commission to be held responsible in all cases for the orderly and proper conduct of the meets for which the licenses of the Commission have been issued.

In order to determine a fair return to the owners of the four one-mile tracks licensed by the Commission, an accurate appraisement was had by experts of the physical properties of each of the licensees, and the Commission determined that a return of ten per cent. on the amount of such valuations to be a fair return, considering the nature of the business, to the owners. The Commission is glad to report that this determination was acquiesced in by all of the four one-mile tracks, and a long step forward was thus taken in the de-commercializing of the sport. The standardization of the rate of compensation to the officers and agents of the tracks has been considered

by the Commission, but in view of the fact that budgets for the present year had been submitted in February by the licensees and impliedly approved by the Commission as a basis for the issuance of their licenses, the Commission has thought it wise to defer further action toward this standardization until the coming year.

Upon the suggestion of the Commission the licensees of the four one-mile tracks likewise agreed that all profits over and above the return of ten per cent. allowed the stockholders, should be devoted to the improvement of the plants where racing is conducted, so that these plants may become a credit to the State, and furnish adequate accommodation and facilities to the public and to the horse owners. Each track has had architects submit plans for the comprehensive development of their plants, to the end that the money devoted to that purpose may be systematically and judiciously expended under the supervision of the Commission. Of course, the additional investment in improvements will not be considered in the calculation of returns allowed stockholders in future years.

Although one hundred days of racing were allowed by law, the Commission favored a curtailment and granted licenses for ninety-two days only. The Commission reserves for further consideration the question whether the number of days of racing permitted in the State may be still further curtailed with advantage, and without injustice to the licensees. It should be stated, however, that the Maryland Jockey Club was granted an additional day of racing on condition that the entire net proceeds of the extra day were to be turned over to the Children's Aid Society of Baltimore County, which condition has been complied with.

QUALITY OF RACING

Purses offered by the licensees of the Commission have been ample, and the best horses in training competed on the Maryland tracks during the year, so that the quality of racing has been the best, and is unexcelled anywhere within the United States.

ATTENDANCE.

During the ninety-two days of racing in the State, 634,405 admissions were sold by the four one-mile tracks, thus demonstrating the popularity of the sport among the people of the State. The orderly character of the patrons is demonstrated by the fact that this large attendance was accompanied by no disorder whatever.

COUNTY FAIRS.

Twelve county fairs were granted licenses by the Commission during the year 1921, the main purpose of which was, in the judgment of the Commission, the encouragement of agriculture, and all of which constituted a bona fide exhibit of that character. These fairs are of great and lasting benefit to the State in the encouragement and instruction they furnish, in the improved methods of cultivation, and the breeding of stock. The fairs were, without exception, well patronized, and in their main features showed considerable improvement over previous years, and decided efforts were made by those in charge to see that they were conducted in an orderly and satisfactory manner. The Commission is interested in seeing that these fairs receive special consideration during the coming year.

The Commission approved donations by the Maryland State Fair, Incorporated, and the Maryland Jockey Club, of $10,000 each to the Maryland Association of Agricultural Fairs. These gifts were approved with the understanding that no Fair that paid dividends or sold mutuals was to participate therein. The assistance thus rendered the county fairs will enable them to increase their premiums and broaden their scope.

CONCLUSION.

In the judgment of your Commission the existing law gives the Commission ample power to regulate racing, so that it will ultimately be brought to the highest possible standard, and will be a credit to the State. Definite

policies continuously adhered to will accomplish results. As there have been several changes in the personnel of the Commission, and as two of the present Commissioners have only been in office since the middle of the current year, there has not been time to put into effect all the changes your Commission would like to see made effective.

The Commission under the above circumstances does not recommend any changes or alterations in the law, at the coming session of the Legislature.

The Commission will gladly furnish any additional information desired, and attaches hereto an account of the receipts and disbursements of the Commission, and an account of the receipts and disbursements during the year of the four licensees of the Commission operating one-mile tracks.

The Commission desires to take this opportunity to express its appreciation of the willingness with which the officers and racing officials of each of the racing associations have co-operated with the Commission in its efforts to further improve the standard of racing in Maryland, and also to acknowledge the valuable aid and advice which it has received from the Attorney General upon numerous occasions, and lastly, to thank your Excellency for your loyal support and your unfailing interest in the problems which the Commission has had to face.

Respectfully submitted,

JAS. A. LATANE, *Chairman.*
JERVIS SPENCER, JR.
E. CLAY TIMANUS.

STATEMENT OF MARYLAND RACING COMMISSION.

(FOR YEAR 1921.)

RECEIPTS.

County Fairs, 49 Days @ $50.00 per day		$2,450.00
Harford Agricultural and Breeders' Association, 23 days racing @ $6000 per day	$138,000.00	
15 per cent. of net revenue	18,263.19	156,263.19
Maryland State Fair, Inc., 23 days racing @ $6000 per day	$138,000.00	
15 per cent. of net revenue	38,992.56	176,992.56
Maryland Jockey Club of Baltimore City, 24 days racing @ $6000 per day	$144,000.00	
Account of Baltimore County $3000 per day	72,000.00	
15 per cent. of net revenue	34,244.61	250,244.61
Southern Maryland Agricultural Association, 23 days racing @ $6000 per day	$138,000.00	
15 per cent. of net revenue	42,044.79	180,044.79
Collected for State as 15 per cent. of net revenue for 69 days racing in 1920		131,512.88
License Fees, Trainers and Jockeys		984.00
Interest on money on deposit		5,813.15
Reserved from 1920 revenue for 1921 expenses		10,000.00
Total Receipts		$914,305.18

DISBURSEMENTS.

Commission's Salary	$9,713.87
Office Salaries	4,910.00
Salaries and Expenses of Commissioners' Employees for County Fairs	1,672.28

Premium on Commissioners' Fidelity Bonds		1,583.34
Automobile and Car Hire		1,825.98
Travel and Miscellaneous Expense for Commissioners and Secretary		1,320.89
Office Supplies		1,107.38
Office Expense, (Miscellaneous),		391.29
Office Furniture and Fixtures		66.00
Telephone		129.15
Rent of Office		1,950.00
Paid to Treasurer of Baltimore County,		
June 29, 1921	$36,000.00	
December 29, 1921	36,000.00	72,000.00
Paid to County Treasurers		2,450.00
Paid to State Treasurer,		
June 29, 1921	$337,411.19	
December 29, 1921	467,773.81	805,185.00
Reserved from 1921 Income for 1922 Expenses		10,000.00
Total Disbursements		$914,305.18

HARFORD AGRICULTURAL AND BREEDERS' ASSOCIATION, INCORPORATED.

STATEMENT OF REVENUE AND EXPENSES

FOR THE PERIOD FROM NOVEMBER 1ST, 1920, TO OCTOBER 31ST, 1921.

REVENUE:

Admissions:		
General	$192,966.00	
Club House	3,721.00	
Boxes	1,589.45	
Pari-Mutuels:		
Commissions	628,835.80	
Breakage	112,021.35	
Programs—net,	6,461.96	
Concessions	10,550.00	
Interest received on liberty loan bonds	850.00	
Total		$956,995.56

EXPENSES:

State License, 23 days @ $6,000 per day	$138,000.00	
Stakes and Purses	261,375.56	
Pari-Mutuel Expenses:		
Salaries and wages paid	77,734.72	
Stationery and printing	13,464.59	
Insurance of money	254.62	
Repairs	1,094.86	
Miscellaneous	1,335.29	
Salaries and wages paid to racing officials and employees	27,090.50	
Salares paid to officers	20,700.00	
Wages paid to regular track employees	12,889.25	
Other salaries and wages paid	15,216.29	
Compensation paid to directors	3,500.00	
Stationery and printing	5,178.84	
Music	1,669.95	
Services of Pinkerton National Detective Agency	10,983.23	

Light and water	1,492.37	
Advertising and publicity service	12,607.81	
Ambulance and hospital service	555.28	
Telephone and telegraph	929.61	
Legal and other professional services	14,753.52	
Insurance premiums paid	5,401.98	
Taxes paid, other than Federal Income and profit taxes	7,468.86	
Rent paid	780.00	
Interest paid	1,007.00	
Donations	1,700.00	
Cash "over and short" account, etc.	1,429.61	
Miscellaneous	3,152.23	
Total		$641,765.97
Net revenue before deducting cost of new construction, equipment, and repairs		$315,229.59
Cost of new construction, equipment, and repairs (allowance on account of cost or depreciation of which is to be determined by the Maryland Racing Commission):		
New construction and equipment	$141,574.07	
Repairs	51,900.92	$193,474.99
Net revenue after deducting cost of new construction, equipment and repairs		$121,754.60

CERTIFICATE.

We have made an examination of the books and accounts of the Harford Agricultural and Breeders' Association, Incorporated, for the period from November 1, 1920, to October 31, 1921, and, subject to the determination by the Maryland Racing Commission of allowance to be made on account of cost or depreciation of property, and to no provision having been made for Federal income and profits taxes for the ten months ended October 31, 1921,

and for license fee or tax of 15% of the net revenue payable to the Maryland Racing Commission,

WE HEREBY CERTIFY that, in our opinion, the above statement of revenue and expenses is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 20, 1921.

Net Revenue as shown in above statement.....		$121,754.60
State Tax of 15% on Net Revenue.....	$18,263.19	
Federal Income and Profit Tax.....	99,797.06	
Balance applicable as dividend to Stockholders	3,694.35	121,754.60

(Stockholders would be entitled to $110,392.22—10% on invested capital, if earned.)

MARYLAND STATE FAIR, INCORPORATED.

STATEMENT OF REVENUE AND EXPENSES

FOR THE PERIOD FROM DECEMBER 1, 1920, TO NOVEMBER 30, 1921.

(RACE MEETING, OCTOBER 4 TO 29, 1921)

REVENUE.

Admissions:		
General	$249,304.50	
Club house	7,375.00	
Club house exchange	493.50	
Paddock exchange	7,108.00	
Boxes	3,325.00	
Membership dues	9,975.00	
Pari-Mutuels:		
Commissions	625,626.40	
Breakage	116,435.20	
Cash "over and short" account	16.67	
Programs—net	11,635.11	
Concessions	9,203.00	
Leading horses to post	60.00	
Interest received:		
Notes receivable	10,848.22	
Bank balances	1,505.50	
Rental of property	2,112.83	
Sales of scrap, etc	245.00	
Total		$1,055,268.93

EXPENSES.

State license, 23 days at $6,000 per day	$138,000.00	
Stakes and purses	289,270.00	
Pari-mutuel expenses:		
Salaries and wages paid	95,089.00	
Stationery and printing	24,025.25	
Insurance of money	1,479.57	
Repairs	1,932.70	
Special officers and fire-arms	863.81	
Miscellaneous	774.74	

Salaries and wages paid to racing officials and employees	43,209.25	
Salaries paid to officers	20,000.00	
Wages paid to regular track employees	15,970.74	
Other salaries and wages paid	8,650.00	
Stationery and printing	4,317.78	
Services of Pinkerton National Detective Agency	2,521.43	
Music	2,300.00	
Water, heat and light	3,473.86	
Advertising and publicity service	5,381.00	
Ambulance service	345.00	
Telephone and telegraph	280.74	
Carfare and expenses of employees	2,249.33	
Traveling expenses	898,57	
Insurance premiums paid	23,334.42	
Taxes paid, other than Federal income and profits taxes	27,989.00	
Donations	15,200.00	
Legal and other professional services	9,346.09	
Office rent and clerk hire, New York	3,000.00	
Miscellaneous	5,229.41	
Total		$745,131.69

Net revenue before deducting cost of new construction, equipment and repairs		$310,137.24
Cost of new construction, equipment and repairs (allowance on account of cost or depreciation of which is to be determined by the Maryland Racing Commission):		
New construction and equipment	$27,836.16	
Repairs	22,350.66	
		50,186.82
Net revenue after deducting cost of new construction, equipment and repairs		$259,950.42

CERTIFICATE.

We have made an examination of the books and accounts of the Maryland State Fair, Incorporated, for the period from December 1, 1920, to November 30, 1921, and subject to the determination by the Maryland Racing Commission, of allowance to be made on account of cost or depreciation of property, and to no provision having been made for Federal income and profits taxes for the eleven months ended November 30, 1921, and for license fee or tax consisting of 15 per cent of the net revenue payable to the Maryland Racing Commission.

WE HEREBY CERTIFY that, in our opinion, the above statement of revenue and expenses is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 20, 1921.

Net revenue as shown in above statement.....		$259,950.42
State tax of 15% on net revenue.....	$38,992.56	
Federal income and profit tax.....	122,847.34	
Balance applicable as dividend to stockholders	98,110.52	
		259,950.42

(Stockholders would be entitled to $107,931.74—10% on invested capital, if earned).

MARYLAND JOCKEY CLUB OF BALTIMORE CITY.

STATEMENT OF REVENUE AND EXPENSES

FOR THE PERIOD FROM DECEMBER 1, 1920, TO NOVEMBER 30, 1921

REVENUE.

Admissions:		
General	$362,217.76	
Paddock exchange	8,549.00	
Club house	12,333.70	
Boxes	3,908.50	
Membership dues and initiation fees	18,453.00	
Pari-mutuels:		
Commissions	819,493.55	
Breakage	152,730.15	
Programs—net	13,863.07	
Concessions	4,521.61	
Profit from operation of restaurant and catering service	984.27	
Leading horses to post	30.00	
Interest received:		
Bank balances	16,726.67	
Loans	335.35	
Liberty loan bonds and notes	1,607.50	
Dividends on stock owned	150.00	
Miscellaneous	423.00	
Rent	350.00	
Total		$1,416,677.07

EXPENSES:

State license, 24 days, at $6,000 per day	$144,000.00	
Baltimore County license, 24 days, at $3,000 per day	72,000.00	
Stakes and purses	405,554.44	
Awards to trainers of winning horses	8,050.00	
Pari-mutuel expenses:		
Salaries and wages paid	114,292.00	

Stationery and printing	48,605.81	
Insurance of money	585,00	
Repairs	667,76	
Miscellaneous	1,290.84	
Salaries and wages paid to racing officials and employees	80,214.57	
Salaries paid to officers	34,999.92	
Expenses of officers and employees	1,126.89	
Wages paid to regular track employees	26,167.11	
Other salaries and wages paid	9,500.00	
Directors' fees	2,400.00	
Rent of track property	24,625.00	
Stationery and printing	5,144.68	
Music	2,265.00	
Services of Pinkerton National Detective Agency	2,933.76	
Water, heat and light	2,453.97	
Advertising and publicity service	7,228.55	
Ambulance and hospital service	485.90	
Telephone and telegraph	337.13	
Insurance and premiums paid	30,092.55	
Taxes paid, other than Federal income and profits taxes	7,612.24	
Legal and other professional services	28,685.67	
Donations	20,922.11	
Cash "over and short" account	523.94	
Rent of office	660.00	
Miscellaneous	4,487.28	
Total		$1,087,912.12

Net revenue before deducting cost of new construction, equipment and repairs	$328,764.95
Cost of new construction, equipment and repairs (allowance on account of cost	

or amortization of which is to be determined by the Maryland Racing Commission):		
New construction and equipment..	$70,498.35	
Repairs	29,969.20	
		100,467.55
Net revenue after deducting cost of new construction, equipment and repairs.....		$228,297.40

CERTIFICATE

We have made an examination of the books and accounts of the Maryland Jockey Club of Baltimore City for the period from December 1, 1920, to November 30, 1921, and, subject to the determination by the Maryland Racing Commission of allowance to be made on account of cost or amortization of improvements to leased property, and to no provision having been made for Federal income and profits taxes for the year ended November 30, 1921, and for license fee or tax consisting of 15% of the net revenue payable to the Maryland Racing Commission,

WE HEREBY CERTIFY that, in our opinion, the above statement of revenue and expenses is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 20, 1921.

Net revenue as shown in above statement.....		$228,297.40
State tax of 15% on net revenue.....	$34,244.61	
Federal income and profit tax.....	205,674.90	
	$239,919.51	
Less deficit for the year 1921.....	11,622.11	
		$228,297.40

(Stockholders would be entitled to $103,662.77—10% on invested capital, if earned).

SOUTHERN MARYLAND AGRICULTURAL ASSOCIATION

STATEMENT OF REVENUE AND EXPENSES

FOR THE PERIOD FROM DECEMBER 11, 1920, TO NOVEMBER 30, 1921.

REVENUE:

Admissions		
General	$192,481.50	
Club House	20.00	
Club House Exchange	3,512.40	
Paddock Exchange	9,180.00	
Boxes	1,922.00	
Membership dues	2,530.50	
Pari-Mutuels:		
Commissions	632,405.05	
Breakage	113,129.35	
Programs—net,	11,788.18	
Interest on bank balances	1,116.82	
Concessions	5,615.25	
Leading horses to post	20.00	
Miscellaneous	9,284.88	
Total		$983,005.93

EXPENSES:

State license, 23 days @ $6,000 per day	$138,000.00	
Stakes and purses	207,386.87	
Pari-Mutuel Expenses:		
Salaries and wages paid	81,520.50	
Stationery and printing	9,152.07	
Insurance of money	450.00	
Repairs	171.64	
Miscellaneous	1,204.18	
Salaries and wages paid to racing officials and employees	35,010.50	
Salaries paid to officers	43,500.00	

Expenses of Secretary	3,000.00	
Wages paid to regular track employees	15,402.75	
Other salaries and wages paid	6,518.00	
Stationery and printing	4,657.84	
Music	1,725.00	
Services of Pinkerton's National Detective Agency	1,906.84	
Services of Lancaster Detective Bureau	10,582.24	
Light, heat, etc.	930.32	
Advertising and publicity service	8,096.85	
Telephone and telegraph	646.10	
Insurance premiums paid	16,021.39	
Taxes paid, other than Federal income and profits taxes	1,887.78	
Legal and other professional services	15,667.33	
Directors' Fees	21,000.00	
Rent of offices paid	1,200.00	
Cash "over and short" account	2,277.49	
Interest on loans	1,060.00	
Donations	1,355.00	
Miscellaneous	11,407.97	
Total		$641,738.66
Net revenue before deducting cost of new construction, equipment, and repairs		$341,267.27
Cost of new construction, equipment, and repairs (allowance on account of cost or depreciation of which is to be determined by the Maryland Racing Commission):		
Construction and equipment	$52,224.69	
Repairs	8,743.97	60,968.66
Net revenue after deducting cost of new construction, equipment, and repairs		$280,298.61

CERTIFICATE.

We have made an examination of the books and accounts of the Southern Maryland Agricultural Association for the period from December 11, 1920, to November 30, 1921, and subject to the determination by the Maryland Racing Commission of allowance to be made on account of cost or depreciation of property, and to no provision having been made for Federal income and profits taxes for the period from January 1 to November 30, 1921, and for license fee or tax of 15% of the net revenue payable to the Maryland Racing Commission.

WE HEREBY CERTIFY that, in our opinion, the above statement of revenue and expenses is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 20, 1921.

Net revenue as shown in the above statement.....		$280,298.61
State tax of 15% on net revenue.....	$42,044.79	
Federal income and profit tax.....	67,058.53	
Applicable as dividend to stockholders—		
10% on invested capital.....	72,457.16	
Set aside for buildings and improvements	98,738.13	
		$280,298.61

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